

ND RETIREMENT AND INVESTMENT OFFICE
Combined Balance Sheet
As of 10/31/2005

	As of <u>10-31-05</u>	As of <u>6-30-05</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 1,457,354,214	\$ 1,458,148,767
INTERNATIONAL EQUITIES	751,622,556	751,581,435
DOMESTIC FIXED INCOME	1,746,564,152	1,627,107,621
INTERNATIONAL FIXED INCOME	152,749,596	144,258,400
REAL ESTATE POOL	233,821,301	216,275,745
VENTURE CAPITAL	132,135,392	123,797,307
INVESTED CASH (NOTE 1)	<u>93,045,914</u>	<u>68,245,056</u>
 TOTAL INVESTMENTS	 4,567,293,125	 4,389,414,331
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	19,695,530	21,609,527
CONTRIBUTIONS/ASSESSMENTS REC	0	7,403,583
MISCELLANEOUS RECEIVABLES	<u>2,428</u>	<u>2,188</u>
 TOTAL RECEIVABLES	 19,697,958	 29,015,298
 OTHER ASSETS		
OPERATING CASH (NOTE 2)	8,436,426	8,905,245
DUE FROM OTHER AGENCIES (NOTE 3)	190,717	89,903
FIXED ASSETS (NET) (NOTE 4)	<u>1,013,164</u>	<u>1,013,164</u>
 TOTAL ASSETS	 <u><u>\$ 4,596,631,390</u></u>	 <u><u>\$ 4,428,437,941</u></u>
 LIABILITIES:		
ACCOUNTS PAYABLE	3,361,521	3,464,962
ACCRUED EXPENSES	267,361	442,004
CAPITAL LEASES PAYABLE	9,550	9,550
DUE TO OTHER AGENCIES (NOTE 5)	<u>190,717</u>	<u>89,903</u>
 TOTAL LIABILITIES	 3,829,149	 4,006,419
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	4,424,431,522	3,975,436,484
CASH IN DURING YEAR (NOTE 6)	190,153,166	302,922,897
CASH OUT DURING YEAR (NOTE 7)	99,034,567	298,051,573
NET INCREASE (DECREASE)	<u>77,252,120</u>	<u>444,123,714</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>4,592,802,241</u>	 <u>4,424,431,522</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u><u>\$ 4,596,631,390</u></u>	 <u><u>\$ 4,428,437,941</u></u>

ND RETIREMENT AND INVESTMENT OFFICE
Combined Profit and Loss Statement
For the Month Ended 10/31/2005

	Month Ended <u>10-31-05</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 9,624,489	\$ 37,156,353
SECURITIES LENDING INCOME	<u>1,547,776</u>	<u>6,245,213</u>
	11,172,265	43,401,566
 GAIN ON SALE OF INVESTMENTS	 51,586,944	 180,617,087
LOSS ON SALE OF INVESTMENTS	<u>30,303,944</u>	<u>82,706,932</u>
 NET GAINS (LOSSES) INVESTMENTS	 21,283,000	 97,910,155
 INVESTMENT EXPENSES	 582,073	 3,931,825
SECURITIES LENDING EXPENSES	<u>1,479,797</u>	<u>5,896,264</u>
 NET INVESTMENT INCOME	 30,393,395	 131,483,632
 NET APPREC (DEPREC) MARKET VALUE	 (101,593,809)	 (30,231,294)
MISCELLANEOUS INCOME/(EXPENSE)	<u>(618,812)</u>	<u>(737,727)</u>
 TOTAL INVESTMENT INCOME	 (71,819,226)	 100,514,611
 CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	 5,380,340	 7,817,235
PURCHASED SERVICE CREDIT (NOTE 9)	166,393	1,061,069
PENALTY & INTEREST (NOTE 10)	<u>1</u>	<u>413</u>
 TOTAL ADDITIONS	 <u>(66,272,492)</u>	 <u>109,393,328</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	7,611,675	30,466,611
PARTIAL LUMP SUM BENEFITS PAID	0	21,045
REFUNDS TO MEMBER (NOTE 12)	<u>301,520</u>	<u>931,673</u>
 TOTAL BENEFITS PAID	 7,913,195	 31,419,329
 ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	77,943	317,272
OPERATING EXPENSES	169,705	404,607
EQUIPMENT	<u>0</u>	<u>0</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>247,648</u>	 <u>721,879</u>
 TOTAL DEDUCTIONS	 <u>8,160,843</u>	 <u>32,141,208</u>
 NET INCREASE (DECREASE)	 <u>\$ (74,433,335)</u>	 <u>\$ 77,252,120</u>

ND RETIREMENT AND INVESTMENT OFFICE
Notes to Combined Financial Statement
October 31, 2005

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2 OPERATING CASH

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3 DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 FIXED ASSETS

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5 DUE TO OTHER AGENCIES

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6 CASH IN DURING YEAR

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7 CASH OUT DURING YEAR

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

ND RETIREMENT AND INVESTMENT OFFICE
Notes to Combined Financial Statement
10/31/2005

NOTE 8 CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9 PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.